

House Research Act Summary

CHAPTER: 81

SESSION: 2016 Regular Session

TOPIC: Unemployment insurance tax and trust fund solvency

Analyst: Ben Weeks

Date: March 29, 2016

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

Unemployment insurance tax and trust fund solvency

Section

1 **Unemployment insurance tax limits.** Provides an ongoing UI tax reduction to employers if the balance in the UI trust fund is in excess of a specified solvency level on December 31 of the previous year. Employers with the maximum experience rating and new employers in high experience rating industries are not eligible for the reduction. The reduction takes the form of credits against future UI taxes owed.

For the current UI tax year, bases the tax reduction on the solvency level of the trust fund on December, 31, 2012, resulting in a total tax reduction of approximately \$258 million.